

**BACA COUNTY SCHOOL DISTRICT RE-4  
SPRINGFIELD, COLORADO**

**FINANCIAL STATEMENTS  
AND THE INDEPENDENT AUDITOR'S REPORT**

**JUNE 30, 2024**

**BACA COUNTY SCHOOL DISTRICT RE-4**

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## INDEPENDENT AUDITOR'S REPORT

Board of Education  
Baca County School District RE-4  
Springfield, Colorado

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Baca County School District RE-4 (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the basic financial statements of the District, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis of Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor’s Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District’s basic financial statements. The accompanying combining and individual fund statements and budget comparison schedules, schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the auditor’s integrity report listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards, and the auditor’s integrity report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2025, on our consideration of the District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District’s internal control over financial reporting and compliance.

*DMC Auditing and Consulting, LLC*

March 7, 2025  
Bailey, Colorado

BACA COUNTY (SPRINGFIELD) SCHOOL DISTRICT RE-4

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2024

This Management's Discussion and Analysis (MD&A) of Springfield School District RE-4 is an element of the new reporting for the Governmental Accounting Standard Board (GASB) in their Statement No. 34, Basic Financial Statements for State and Local Governments, issued June 1999. This discussion provides an overall review of the District's financial activities for the fiscal year ending June 30, 2024. The intent of this report is to look at the District's financial performance as a whole; readers should review the information presented here in conjunction with the District's financial statements following this section. In future years, when prior year information is available, a comparative analysis of the government-wide information will be presented.

**Financial Highlights**

The District's total combined assets for governmental activities exceeded the total liabilities by \$38,176,053 (total net position).

The total cost of the District's programs was virtually unchanged from last year (2023), and no new programs were added for 2024. The BEST Grant capital construction project was finalized in the fall of 2024, with demolition beginning the last stages of completion. Final payments to contractors continue with supplemental grant payments occurring as punch list and warranty work are completed.

The General Fund reported a fund balance of \$4,547,598 at the close of the fiscal year 2024, which was an increase of \$366,121 from the previous year. The District strives to limit the spending of their reserves, which will eventually deplete the reserves.

**Overview of the Financial Statements**

Management's discussion and analysis are intended to serve as an introduction to the District's basic financial statements. A comparison to the prior year's activity is normally provided in this document.

**District-Wide Financial Statements**

The district-wide statements report information about the District as a whole using accounting methods similar to those used in private sector companies. The statement of net position includes all of the government's assets and liabilities.

The government-wide statements report on the District's net position and how they have changed. Net position, the difference between the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, are one way to measure the District's financial health or position. Increases or decreases in the District's net position could indicate whether the District's financial health is improving or deteriorating. One needs to consider additional factors such as changes in the District's tax base, changes in student enrollment and the condition of school buildings.

BACA COUNTY (SPRINGFIELD) SCHOOL DISTRICT RE-4

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2024

*Governmental activities:* Most of the District's basic services are included here, such as instruction, transportation, maintenance and operations, and administration. State funding from equalization and property taxes finances most of these activities. This information is comprised of all of the following the District funds – general fund, debt service fund, building fund, capital reserve fund, student activity fund, and food service fund.

**Fund Financial Statements**

The fund financial statements provide detailed information about the District's funds, focusing on its most significant funds or "major" funds, not the District as a whole. Fund financial statements are designed to demonstrate compliance with finance-related legal requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other governments, uses fund accounting to ensure and demonstrate compliance. All of the funds of the District are governmental funds.

*Governmental Funds:* District's basic services are reported in governmental funds, which generally focus on the determination of financial position and change in financial position, not on income determination. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted into cash. The governmental fund statements provide a detailed short-term view of the District's operations and the services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

**Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

In addition to the financial statements and accompanying notes, this report also contains combining and individual statements and budgetary comparison schedules with information concerning the District's nonmajor governmental funds. The combining statements of the nonmajor governmental funds are presented after the notes to the financial statements.

BACA COUNTY (SPRINGFIELD) SCHOOL DISTRICT RE-4

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2024

**Financial Analysis of the District as a Whole**

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. The District's total net position on June 30, 2024, was \$38,176,053. Of the District's \$52,083,426 in assets and \$1,627,683 in deferred outflows of resources. Net investment in capital assets were \$37,640,319, or 98.6% of the total net position. The unrestricted net position (\$559,206) may be used to meet the District's ongoing financial obligations.

	Governmental Activities <u>2023-2024</u>	Governmental Activities <u>2022-2023</u>
<b>Assets</b>		
Current and other assets	\$ 9,186,799	\$ 10,258,636
Capital assets	42,896,627	29,549,050
<b>Total Assets</b>	<u>52,083,426</u>	<u>\$ 39,807,686</u>
<b>Deferred Outflows of Resources</b>	<u>1,627,683</u>	<u>1,169,214</u>
<b>Liabilities</b>		
Current Liabilities	3,952,284	3,284,869
Long-Term Liabilities	11,170,886	10,759,230
<b>Total Liabilities</b>	<u>15,123,170</u>	<u>14,044,099</u>
<b>Deferred Outflows of Resources</b>	<u>411,886</u>	<u>808,932</u>
<b>Net Position</b>		
Net Investment in Capital Assets	\$ 37,640,319	\$ 25,912,638
Restricted for:		
Emergencies	468,000	534,000
Universal Preschool Program	78,552	88,552
Food Service	90,664	157,008
Debt Service	457,724	436,793
Unrestricted	(559,206)	(1,005,122)
<b>Total Net Position</b>	<u>\$ 38,176,053</u>	<u>\$ 26,123,869</u>

BACA COUNTY (SPRINGFIELD) SCHOOL DISTRICT RE-4

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2024

	Governmental Activities <u>2003-2004</u>	Governmental Activities <u>2022-2023</u>
<b>Revenues</b>		
Program revenues:		
Charges For Services	\$ 176,559	\$ 61,806
Operating Grants & Contributions	875,451	1,007,314
Capital Grants and Contributions	11,395,998	13,761,342
General Revenues:		
Property Taxes	1,395,093	1,384,483
Specific Ownership Taxes	135,458	130,380
State Equalization	2,891,878	2,513,469
Earnings on Investments	257,459	158,870
Other Revenues	28,443	219,802
<b>Total Revenues</b>	<u>17,156,339</u>	<u>19,237,466</u>
<b>Expenses</b>		
Instructional Services	2,796,099	2,276,394
Supporting Services	1,896,420	1,881,031
Food Service	285,131	204,799
Interest on Long-Term Liabilities	126,505	131,836
<b>Total Expenses</b>	<u>5,104,155</u>	<u>4,405,250</u>
Increase (decrease) in net position	<u>12,052,184</u>	<u>14,832,216</u>

The District's total revenues were \$17,156,339. A significant portion (17%) of the revenue comes from state aid (equalization) while 6.3% comes from federal sources, 11% from local property and taxes, 82% from state sources, and the remaining 0.7% from other sources. The total cost of all programs and services was \$5,104,155. The bulk of these expenses were spent on instruction and supporting services. When expenditures exceed revenues for a fiscal year the district is forced to spend their reserves and the result is a decline in net position.

BACA COUNTY (SPRINGFIELD) SCHOOL DISTRICT RE-4

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2024

**Financial Analysis of the District's Funds**

State funding (equalization) for the General Fund and Colorado Preschool Project Fund is based on pupil count. Equalized funding (the per pupil amount set by the Colorado Department of Education funded with local property tax and state aid) increased, but the increase was offset by a loss of revenue from other sources. Preschool students ages 4-5 are funded through the Universal Preschool Program, while 3-year-olds of special needs also qualify for UPK funding. All other students enrolled in the district are funded at 100% of the per-pupil rate. There were 284 students enrolled in Springfield School District RE-4 on October 1, 2024.

**General Fund Budgetary highlights**

Over the course of the year, the District did not revise its budget. Actual expenditures (\$1,818,808) were below the budgeted amounts. Actual revenues (\$4,851,905) were also below the budgeted amount. The district continues to maintain frugal spending habits in an effort to spend only the money that is collected in a year.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

The District's capital assets as of June 30, 2024, amounts to \$42,896,627.

	Balance 6/30/2023	Additions	Deletions	Balance 6/30/2024
<b>Governmental Activities</b>				
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ 27,861,554	\$ 13,422,475	\$ -	\$ 41,284,029
Capital Assets, Being Depreciated:				
Buildings and Site Improvements	3,608,573	-	-	3,608,573
Vehicles	782,012	41,370	-	823,382
Equipment	936,378	11,490	-	947,868
Total Capital Assets, Being Depreciated	5,326,963	52,860	-	5,379,823
Less Accumulated Depreciation:				
Buildings and Site Improvements	(2,477,152)	(62,311)	-	(2,539,463)
Vehicles	(475,605)	(39,015)	-	(514,620)
Equipment	(686,710)	(26,432)	-	(713,142)
Total Accumulated Depreciation	(3,639,467)	(127,758)	-	(3,767,225)
Total Capital Assets, Being Depreciated, Net	1,687,496	(74,898)	-	1,612,598
Capital Assets, Governmental Activities, Net	\$ 29,549,050	\$ 13,347,577	\$ -	\$ 42,896,627

**Long Term Debt**

In November 2020, the district passed a general obligation bond to help fund the PK-12 BEST Grant Project. The bond redemption fund is collected by Baca County Treasurer and dispersed for the sole purpose of debt repayment. This is a 20-year bond and will be paid in full in 2041.

BACA COUNTY (SPRINGFIELD) SCHOOL DISTRICT RE-4

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2024

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The budget for 2025-2026 will be impacted by a continuing loss in enrollment, increased health insurance costs, utility costs, and the rising percentage that the district pays to the Public Employees Retirement Account (PERA). The District is committed to keeping the base salary for certified employees to a level equal to or above the other districts in the area in order to obtain quality instructors. The district's goal is to monitor spending in the district to eliminate future years of spending more than the district receives. With declining enrollment, the district may be forced to eliminate some positions in the district.

The Gallagher Amendment ratchets down local property taxes. The TABOR Amendment keeps property taxes down; Amendment 23 sets requirements for increasing school funding. With increased school funding required and declining property taxes, the state is required to make up the differences on both ends while the economy and revenues are fading. The state is caught in a no-win situation with nearly a \$1 billion deficit in 2025.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. We understand that all of your questions may not have been answered in this report, therefore, we invite you to contact the Springfield School District Office at PO Box 68, 475 W. 5th Avenue, Springfield, Colorado, 719-523-6654. You may talk directly to the Superintendent or the Business Manager for clarification and information.

## **BASIC FINANCIAL STATEMENTS**

**BACA COUNTY SCHOOL DISTRICT RE-4**

## STATEMENT OF NET POSITION

June 30, 2024

	<u>PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES</u>
<b>ASSETS</b>	
Cash and Investments	\$ 5,892,378
Accounts Receivable	2,507,309
Grants Receivable	163,194
Taxes Receivable	207,639
Prepaid Expenses	407,795
Inventories	8,484
Capital Assets, <i>Not Being Depreciated</i>	41,284,029
Capital Assets, <i>Net of Accumulated Depreciation</i>	<u>1,612,598</u>
TOTAL ASSETS	<u>52,083,426</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pensions, <i>Net of Accumulated Amortization</i>	1,603,299
OPEB, <i>Net of Accumulated Amortization</i>	<u>24,384</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>1,627,683</u>
<b>LIABILITIES</b>	
Accounts Payable	1,195,552
Retainage Payable	1,794,350
Accrued Salaries and Benefits	462,508
Unearned Revenue	234,491
Accrued Interest Payable	10,298
Noncurrent Liabilities	
Due Within One Year	255,085
Due in More Than One Year	5,046,361
Net Pension Liability	5,980,129
Net OPEB Liability	<u>144,396</u>
TOTAL LIABILITIES	<u>15,123,170</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pensions, <i>Net of Accumulated Amortization</i>	351,659
OPEB, <i>Net of Accumulated Amortization</i>	<u>60,227</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>411,886</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	37,640,319
Restricted for:	
Universal Preschool Program	78,552
Food Service	90,664
Debt Service	457,724
Emergencies	468,000
Unrestricted	<u>(559,206)</u>
TOTAL NET POSITION	<u>\$ 38,176,053</u>

*See Notes to the Financial Statements.*

**BACA COUNTY SCHOOL DISTRICT RE-4**

STATEMENT OF ACTIVITIES

Year Ended June 30, 2024

FUNCTIONS / PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
<b>PRIMARY GOVERNMENT</b>					
<b>Governmental Activities</b>					
Instruction	\$ 2,796,099	\$ 27,798	\$ 595,770	\$ -	\$ (2,172,531)
Supporting Services	1,889,075	142,373	48,896	11,395,998	9,698,192
Food Services	292,476	6,388	230,785	-	(55,303)
Interest on Long-Term Debt	126,505	-	-	-	(126,505)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 5,104,155</b>	<b>\$ 176,559</b>	<b>\$ 875,451</b>	<b>\$ 11,395,998</b>	<b>7,343,853</b>
<b>GENERAL REVENUES</b>					
Local Property Taxes					1,395,093
Specific Ownership Taxes					135,458
State Equalization					2,891,878
Grants and Contributions not Restricted to Specific Programs					19,223
Investment Income					257,459
Insurance Proceeds					9,220
<b>TOTAL GENERAL REVENUES</b>					<b>4,708,331</b>
<b>CHANGE IN NET POSITION</b>					<b>12,052,184</b>
<b>NET POSITION, Beginning</b>					<b>26,123,869</b>
<b>NET POSITION, Ending</b>					<b>\$ 38,176,053</b>

See Notes to the Financial Statements.

**BACA COUNTY SCHOOL DISTRICT RE-4**

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2024

	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>BUILDING</u>
<b>ASSETS</b>			
Cash and Investments	\$ 4,731,956	\$ 448,226	\$ 428,883
Accounts Receivable	1,229	-	2,502,618
Taxes Receivable	91,182	116,457	-
Grants Receivable	-	-	-
Interfund Receivables	38,274	-	-
Prepaid Expenditures	407,795	-	-
Inventories	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 5,270,436</u>	<u>\$ 564,683</u>	<u>\$ 2,931,501</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ -	\$ -	\$ 1,146,267
Retainage Payable	-	-	1,794,350
Accrued Salaries and Benefits	436,621	-	-
Interfund Payables	-	-	-
Unearned Revenue	234,248	-	-
<b>TOTAL LIABILITIES</b>	<u>670,869</u>	<u>-</u>	<u>2,940,617</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	51,969	106,959	-
<b>FUND BALANCES</b>			
Nonspendable Inventories	-	-	-
Restricted for:			
Universal Preschool Program	78,552	-	-
Emergencies	468,000	-	-
Debt Service	-	457,724	-
Food Services	-	-	-
Assigned to:			
Student Activities	-	-	-
Capital Projects	-	-	-
Unassigned	4,001,046	-	(9,116)
<b>TOTAL FUND BALANCES</b>	<u>4,547,598</u>	<u>457,724</u>	<u>(9,116)</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 5,270,436</u>	<u>\$ 564,683</u>	<u>\$ 2,931,501</u>

*See Notes to the Financial Statements.*

NONMAJOR  
GOVERNMENTAL

<u>FUNDS</u>	<u>TOTAL</u>
\$ 283,313	\$ 5,892,378
3,462	2,507,309
-	207,639
163,194	163,194
-	38,274
-	407,795
8,484	8,484
<u>\$ 458,453</u>	<u>\$ 9,225,073</u>

\$ 49,285	\$ 1,195,552
-	1,794,350
25,887	462,508
38,274	38,274
243	234,491
<u>113,689</u>	<u>3,725,175</u>

-	158,928
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8,484	8,484
-	78,552
-	468,000
-	457,724
90,664	90,664
57,918	57,918
187,698	187,698
-	3,991,930
<u>344,764</u>	<u>5,340,970</u>

<u>\$ 458,453</u>	<u>\$ 9,225,073</u>
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See Notes to the Financial Statements.

**BACA COUNTY SCHOOL DISTRICT RE-4**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
June 30, 2024

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE  
STATEMENT OF NET POSITION ARE DIFFERENT BECAUSE:

Total Fund Balances of Governmental Funds	\$	5,340,970
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.		42,896,627
Long-term assets are not available to pay current year expenditures and, therefore, are deferred in governmental funds. This amount represents property taxes earned but not available as current financial resources.		158,928
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds:		
Accrued Interest Payable		(10,298)
Bonds Payable		(5,256,308)
Accrued Compensated Absences		(45,138)
Net Pension Liability		(5,980,129)
Pension-Related Deferred Outflows of Resources		1,603,299
Pension-Related Deferred Inflows of Resources		(351,659)
Net OPEB Liability		(144,396)
OPEB-Related Deferred Outflows of Resources		24,384
OPEB-Related Deferred Inflows of Resources		(60,227)
Total Net Position of Governmental Activities	\$	<u><u>38,176,053</u></u>

**BACA COUNTY SCHOOL DISTRICT RE-4**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
Year Ended June 30, 2024

	GENERAL	DEBT SERVICE	BUILDING
<b>REVENUES</b>			
Local Sources	\$ 1,315,326	\$ 396,662	\$ -
County Sources	35	-	-
State Sources	3,299,880	-	10,728,414
Federal Sources	236,664	-	-
	<b>4,851,905</b>	<b>396,662</b>	<b>10,728,414</b>
<b>EXPENDITURES</b>			
<b>Current</b>			
Instruction	2,685,792	-	-
Supporting Services	1,809,212	-	-
Food Services	-	-	-
Capital Outlay	-	-	12,606,652
<b>Debt Service</b>			
Principal	-	249,226	-
Interest and Fiscal Charges	-	126,505	-
	<b>4,495,004</b>	<b>375,731</b>	<b>12,606,652</b>
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES</b>	<b>356,901</b>	<b>20,931</b>	<b>(1,878,238)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from Sale of Capital Assets	9,220	-	-
Transfers In	-	-	-
Transfers Out	-	-	-
	<b>9,220</b>	<b>-</b>	<b>-</b>
<b>CHANGE IN FUND BALANCES</b>	<b>366,121</b>	<b>20,931</b>	<b>(1,878,238)</b>
FUND BALANCES, Beginning	4,181,477	436,793	1,869,122
FUND BALANCES, Ending	\$ 4,547,598	\$ 457,724	\$ (9,116)

NONMAJOR GOVERNMENTAL	
<u>FUNDS</u>	<u>TOTAL</u>
\$ 152,066	\$ 1,864,054
-	35
50,251	14,078,545
<u>844,778</u>	<u>1,081,442</u>
<u>1,047,095</u>	<u>17,024,076</u>
-	2,685,792
159,282	1,968,494
288,075	288,075
732,356	13,339,008
-	249,226
<u>-</u>	<u>126,505</u>
<u>1,179,713</u>	<u>18,657,100</u>
<u>(132,618)</u>	<u>(1,633,024)</u>
-	9,220
-	-
<u>-</u>	<u>-</u>
<u>-</u>	<u>9,220</u>
(132,618)	(1,623,804)
<u>477,382</u>	<u>6,964,774</u>
<u>\$ 344,764</u>	<u>\$ 5,340,970</u>

See Notes to the Financial Statements.

**BACA COUNTY SCHOOL DISTRICT RE-4**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
Year Ended June 30, 2024

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES ARE DIFFERENT BECAUSE:

Net Change in Fund Balances of Governmental Funds	\$ (1,623,804)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as follows:

Depreciation Expense	(127,758)
Capital Outlay	13,475,335

Revenues that do not provide current financial resources are deferred in the governmental fund financial statements but are recognized in the government-wide financial statements. This amount represents the change in deferred property taxes.	123,043
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The repayment of long-term debt principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position and does not affect the statement of activities.	249,226
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This includes the changes in the following:

Accrued Interest Payable	488
Accrued Compensated Absences	(29,032)
Net Pension Liability	(899,570)
Pension-Related Deferred Outflows of Resources	466,635
Pension-Related Deferred Inflows of Resources	386,854
Net OPEB Liability	28,741
OPEB-Related Deferred Outflows of Resources	(8,166)
OPEB-Related Deferred Inflows of Resources	10,192

Change in Net Position of Governmental Activities	\$ <u><u>12,052,184</u></u>
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**BACA COUNTY SCHOOL DISTRICT RE-4**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2024

**NOTE 1: Summary of Significant Accounting Policies**

The accounting policies of the Baca County School District RE-4 (the District) conform to generally accepted accounting principles as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the District's more significant policies.

**Reporting Entity**

The financial reporting entity consists of the District, organizations for which the District is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the District. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of the District. Legally separate organizations for which the District is financially accountable are considered part of the reporting entity. Financial accountability exists if the District appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if the organization has the potential to provide benefits to, or impose financial burdens on, the District. The financial statements of the District do not include any separately administered organizations.

**Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these financial statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. *Governmental activities*, which are supported by taxes and intergovernmental revenues, are reported in a single column.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to students or other customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for the governmental funds and the fiduciary fund, even though the latter is excluded from the government-wide financial statements. Major individual governmental funds and other significant funds identified by management are reported as separate columns in the fund financial statements.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

In the fund financial statements, the District reports the following major governmental funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those accounted for in another fund.

The *Debt Service Fund* is used to account for the accumulation of resources for, and the payment of, long term debt principal, interest, and related costs.

The *Building Fund* is used to account for the resources accumulated for the funding of the District's school improvements and construction of new school buildings, primarily from the proceeds obtained from the issuance of the general obligation bonds.

**BACA COUNTY SCHOOL DISTRICT RE-4**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2024

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the District considers property tax revenues to be available if they are collected within 60 days of the end of the current year. The District considers all other revenues to be available if they are collected within 180 days of the end of the current year.

Taxes, intergovernmental revenues, grants, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

When both restricted and unrestricted resources are available for a specific use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

*Cash and Investments* – The District uses separate bank accounts for each fund and for individual programs within the General Fund. Investments are reported at fair value.

*Receivables* - All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Property taxes levied for the current year but not received at year end are reported as taxes receivable and are presented net of an allowance for uncollectible taxes.

*Inventories* - Food Service Fund inventories are recorded as an asset when individual items are purchased and as an expenditure when consumed. Inventories are stated at cost on a first-in, first-out (FIFO) basis, and consist of purchased and donated commodities. Purchased inventories are recorded at cost. Donated inventories, received at no cost under a program supported by the federal government, are valued at the cost furnished by the federal government.

*Capital Assets* - Capital assets, which include property and equipment, are reported in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value on the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated useful lives.

**BACA COUNTY SCHOOL DISTRICT RE-4**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2024

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balances / Net Position**

Building	50 years
Site Improvements	10 - 50 years
Vehicles and Equipment	10 - 35 years

*Deferred Outflows of Resources* - This separate financial statement element represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources until then.

*Accrued Salaries and Benefits* - Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve-month period from September to August but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, are reported as a liability in the financial statements.

*Unearned Revenue* – Unearned revenues include grants that have been collected but the corresponding expenditures have not been incurred and the eligibility criteria have not been met.

*Deferred Inflows of Resources* – This separate financial statement element represents an acquisition of net assets by the District that is applicable to a future reporting period. Deferred inflows of resources in the governmental fund financial statements include property taxes earned but not available as current financial resources.

*Long-Term Debt* - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Debt premiums, discounts and accounting losses resulting from debt refundings are deferred and amortized over the life of the debt using the effective interest method. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Debt issuance costs, whether or not withheld from the debt proceeds, are reported as current expenses or expenditures.

*Compensated Absences* – Personnel accrue up to 90 days of leave depending on their years of experience with the District. Unused vacation benefits are paid upon termination according to a formula based on the employee’s per diem rate and years of service with the District

These compensated absences are recognized as expenditures in the governmental funds when due. A long-term liability is reported in the government-wide financial statements for the accrued compensated absences when earned.

*Pensions* - The District participates in the School Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees’ Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position, and additions to and deductions from the SDTF’s fiduciary net position have been determined using the economic resources measurement focus and the accrual basis of accounting, the same basis of accounting used by the SDTF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Employer contributions are recognized when the compensation is payable to the employees. Investments are reported at fair value.

**BACA COUNTY SCHOOL DISTRICT RE-4**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2024

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balances / Net Position (Continued)**

*Postemployment Benefits Other Than Pensions (OPEB)* - The District participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the Public Employees' Retirement Association of Colorado (PERA). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position, and additions to and deductions from the HCTF's fiduciary net position have been determined using the economic resources measurement focus and the accrual basis of accounting, the same basis of accounting used by the HCTF. For this purpose, the HCTF recognizes benefit payments when due and payable in accordance with the benefit terms. Employer contributions are recognized when the compensation is payable to the employees. Investments are reported at fair value.

*Net Position/Fund Balances* - In the government-wide and fund financial statements, net position and fund balances are restricted when constraints placed on the use of resources are externally imposed. In the fund financial statements, governmental funds report committed fund balances when the Board of Education formally commits resources for a specific purpose through passage of a resolution. The Board of Education has delegated to the Superintendent and his designee the authority to assign fund balances to be used for specific purposes.

In circumstances where an expenditure is incurred for a purpose for which amounts are available in multiple fund balance classifications, District policy requires restricted fund balance to be used first, followed by committed, assigned, and unassigned balances.

**Property Taxes**

Property taxes attach as an enforceable lien on property on January 1, are levied the following December, and are collected in the subsequent calendar year. Taxes are payable in full on April 30, or in two installments on February 28 and June 15. The County Treasurer's Office collects property taxes and remits to the District on a monthly basis. When taxes become delinquent, the property is sold on the tax sale date.

**NOTE 2: Cash and Investments**

At June 30, 2024, the District had the following cash and investments:

Deposits	\$ 298,165
Cash Held by Third Party	428,883
Investments	5,165,330
Total	\$ 5,892,378

**BACA COUNTY SCHOOL DISTRICT RE-4**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2024

**NOTE 2: Cash and Investments (Continued)**

**Deposits**

The Colorado Public Deposit Protection Act (PDPA) requires local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At June 30, 2024, the District had bank deposits of \$34,734 collateralized with securities held by the financial institution's agent but not in the District's name.

**Investments**

The District is required to comply with State statutes which specify investment instruments meeting defined rating, maturity, and concentration risk criteria in which local governments may invest, which include the following. State statutes do not address custodial risk.

- Obligations of the United States and certain U.S. Agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

*Local Government Investment Pool* - At June 30, 2023, the District had \$4,717,104 invested in the Colorado Local Government Liquid Asset Trust Plus (ColoTrust). ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating ColoTrust. ColoTrust operates in conformity with the Securities and Exchange Commission's Rule 2a-7. ColoTrust is measured at the net asset value per share, with each share valued at \$1. ColoTrust is rated AAAM by Standard and Poor's. Investments of ColoTrust are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

*Fair Value Measurements* - At June 30, 2024, the District's investments in the local government investment pool and mutual fund were reported at the net asset value per share.

*Interest Rate Risk* - State statutes generally limit investments to an original maturity of five years from the date of purchase unless the governing board authorizes the investment for a period in excess of five years.

*Credit Risk* - State statutes limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with the Securities and Exchange Commission's Rule 2a-7, and either have assets of one billion dollars or the highest rating issued by one or more nationally recognized statistical rating organizations (NRSROs). At June 30, 2024, the District was invested \$448,226 in a Morgan Stanley Institutional Liquidity Funds mutual fund rated AAAM by S&P.

**BACA COUNTY SCHOOL DISTRICT RE-4**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2024

**NOTE 2: Cash and Investments (Continued)**

**Investments (Continued)**

*Concentration of Credit Risk* - State statutes do not limit the amount the District may invest in a single issuer of investment securities, except for corporate securities. The District is invested 91% and 9% in local government investment pools and mutual funds, respectively.

*Cash Held by Third Party* – At June 30, 2024, the District had \$428,883 held in a bank account by the Colorado State Treasurer on behalf of the District to cover its matching share of BEST grant construction costs.

**NOTE 3: Interfund Balances and Transfers**

During the year ended June 30, 2024, the District transferred \$9,596 from the Food Service Fund to the General Fund to reimburse employee related food service payroll deductions.

**NOTE 4: Capital Assets**

Capital asset activity for the year ended June 30, 2024, is summarized below.

	Balance 6/30/2023	Additions	Deletions	Balance 6/30/2024
<b>Governmental Activities</b>				
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ 27,861,554	\$ 13,422,475	\$ -	\$ 41,284,029
Capital Assets, Being Depreciated:				
Buildings and Site Improvements	3,608,573	-	-	3,608,573
Vehicles	782,012	41,370	-	823,382
Equipment	936,378	11,490	-	947,868
Total Capital Assets, Being Depreciated	5,326,963	52,860	-	5,379,823
Less Accumulated Depreciation:				
Buildings and Site Improvements	(2,477,152)	(62,311)	-	(2,539,463)
Vehicles	(475,605)	(39,015)	-	(514,620)
Equipment	(686,710)	(26,432)	-	(713,142)
Total Accumulated Depreciation	(3,639,467)	(127,758)	-	(3,767,225)
Total Capital Assets, Being Depreciated, Net	1,687,496	(74,898)	-	1,612,598
Capital Assets, Governmental Activities, Net	\$ 29,549,050	\$ 13,347,577	\$ -	\$ 42,896,627

Depreciation expense of the governmental activities was charged to programs of the District as follows:

Instruction	\$ 82,132
Supporting Services	42,843
Food Services	2,783
Total	\$ 127,758

**BACA COUNTY SCHOOL DISTRICT RE-4**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2024

**NOTE 5: Long-Term Debt**

Following is a summary of long-term debt transactions for the year ended June 30, 2024.

	Balance <u>6/30/2023</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>6/30/2024</u>	Due in <u>One Year</u>
<b>Governmental Activities</b>					
BEST Matching Money Bond	\$ 5,505,534	\$ -	\$ 249,226	\$ 5,256,308	\$ 255,085
Compensated Absences	16,106	29,032	-	45,138	-
Total	<u>\$ 5,521,640</u>	<u>\$ 29,032</u>	<u>\$ 249,226</u>	<u>\$ 5,301,446</u>	<u>\$ 255,085</u>

Compensated absences are expected to be liquidated primarily with revenues of the General Fund.

In November of 2020, the District issued General Obligation Bonds, Series 2020, in the amount of \$5,990,000 to supplement the BEST Grant awarded by the State of Colorado to build and improve buildings on existing District land. Principal payments are due annually on December 1, through 2040. Interest payments are due semi-annually on June 1<sup>st</sup> and December 1<sup>st</sup>, with interest accruing at a rate of 2.351% per annum. The full faith and credit of the District is pledged for the payment of the principal and interest on these bonds with ad valorem taxes on all of the taxable property in the District.

Bond payments to maturity are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 255,085	\$ 120,577	\$ 375,662
2026	261,082	114,510	375,592
2027	267,220	108,300	375,519
2028	273,502	101,943	375,446
2029	279,932	95,438	375,370
2030-2034	1,501,529	374,124	1,875,653
2035-2039	1,686,531	186,947	1,873,478
2040-2041	731,428	17,296	748,723
Total	<u>\$ 5,256,308</u>	<u>\$ 1,119,135</u>	<u>\$ 6,375,443</u>

**NOTE 6: Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The District participates in the Colorado School Districts Self Insurance Pool for all risks of loss except workers' compensation, for which it utilizes a commercial insurance carrier.

The Colorado School Districts Self Insurance Pool (CSDSIP) operates as a self-insurance pool comprised of various school districts and other related public educational entities within the State of Colorado. The CSDSIP is administered by a governing board. The District pays an annual premium to the CSDSIP for various types of property and liability insurance coverage. The CSDSIP's agreement provides that the CSDSIP will be self-sustaining through member premiums and will reinsure through a duly authorized insurer. The reinsurance covers claims against the CSDSIP in excess of specific claim amounts and in the aggregate in an amount and at limits determined by the CSDSIP to be adequate to protect the solvency of the CSDSIP.

**BACA COUNTY SCHOOL DISTRICT RE-4**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2024

**NOTE 7: Defined Benefit Pension Plan**

**General Information**

*Plan Description* - The District contributes to the School Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). All employees of the District participate in the SDTF. Title 24, Article 51 of the Colorado Revised Statutes (CRS), administrative rules set at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code assign the authority to establish and amend plan provisions to the State Legislature. PERA issues a publicly available annual comprehensive financial report, that includes information on the SDTF, which may be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Benefits Provided as of December 31, 2023* - The SDTF provides retirement, disability, and survivor benefits to plan participants or their beneficiaries. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure in place, the benefit option selected at retirement, and age at retirement. The retirement benefit is the greater of the a) highest average salary over five years multiplied by 2.5% and then multiplied by years of service credit, or b) the value of the participant's contribution account plus an equal match on the retirement date, annualized into a monthly amount based on life expectancy and other actuarial factors. In no case can the benefit amount exceed the highest average salary, or the amount allowed by applicable federal regulations.

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the CRS Subject to the automatic adjustment provision (AAP) under CRS § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, will receive the maximum annual increase (AI) or AI cap of 1% unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of the 1% AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA's Annual Increase Reserve (AIR). The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in CRS § 24-51-413.

Disability benefits are available for eligible employees once they reach five years of earned service credit and meet the definition of a disability. The disability benefit amount is based on the retirement benefit formula described previously, considering a minimum of 20 years of service credit.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure in place, and the qualified survivor receiving the benefits.

*Contributions provisions as of June 30, 2024* - The District, State, and eligible employees are required to contribute to the SDTF at rates established by Title 24, Article 51, Part 4 of the CRS. These contribution requirements are established and may be amended by the State Legislature. The contribution rate for employees was 11% for the period from July 1, 2023, through June 30, 2024. The District's contribution rate for the fiscal year was 21.40% of covered salaries. However, a portion of the District's contribution (1.02% of covered salaries) is allocated to the Health Care Trust Fund (Note 8). The District's contributions to the SDTF for the year ended June 30, 2024, were \$461,257, equal to the required contributions.

**BACA COUNTY SCHOOL DISTRICT RE-4**  
**NOTES TO THE FINANCIAL STATEMENTS**  
 June 30, 2024

**NOTE 7: Defined Benefit Pension Plan (Continued)**

**General Information (Continued)**

For the purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SDTF and is considered to meet the definition of a special funding situation. As specified in CRS § 24-51-414, the State of Colorado is required to contribute a \$225 million direct distribution each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SDTF based on the proportionate amount of annual payroll of the SDTF to the total annual payroll of the SDTF. Direct distribution from the State was suspended in 2020. To compensate PERA for the suspension, CRS § 24-51-414(6-8) required restorative payment by providing an accelerated payment in 2022. In 2022, the State Treasurer issued payment for the direct distribution of \$225 million plus an additional amount of \$380 million. Due to the advanced payment made in 2022, the State reduced the distribution in 2023 to \$35 million. Additionally, the newly added CRS § 24-51-414(9) provides compensatory payment of \$14.561 million for 2023 only.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

The net pension liability was measured at December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll forward the total pension liability to December 31, 2023.

The District's proportion of the net pension liability was based on the District's contributions to the SDTF for the calendar year ended December 31, 2023, relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At December 31, 2023, the District's proportion was 0.0338177125%, which was an increase of 0.0059170617% from its proportion measured at December 31, 2023.

At June 30, 2024, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ 5,980,129
State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	131,126
Total	\$ 6,111,255

For the year ended June 30, 2024, the District recognized pension expense of \$539,136 and a revenue of (\$12,274) for support from the State as a nonemployer contributing entity. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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**NOTE 7: Defined Benefit Pension Plan (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 283,571	\$ -
Net difference between projected and actual earnings on plan investments	428,684	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	632,137	351,659
Contributions subsequent to the measurement date	258,907	-
Total	\$ 1,603,299	\$ 351,659

District contributions subsequent to the measurement date of \$258,907 will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30,</u>			
2025		\$	127,362
2026			494,984
2027			489,916
2028			(119,529)
Total		\$	992,733

*Actuarial Assumptions* - The actuarial valuation as of December 31, 2022, determined the total pension liability using the following actuarial assumptions and other inputs.

Actuarial cost method		Entry age
Price inflation		2.30%
Real wage growth		0.70%
Wage inflation		3.00%
Salary increases, including wage inflation		3.40% - 11.00%
Long-term investment rate of return, net of plan investment expenses, including price inflation		7.25%
Discount rate		7.25%
Post-retirement benefit increases:		
Hired prior to 1/1/07		
thereafter, compounded annually		1.00%
Hired after 12/31/06		Financed by the AIR

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**NOTE 7: Defined Benefit Pension Plan (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

Post-retirement benefit increases are provided by the annual increase reserve, accounted for separately in SDTF, and subject to resources being available. Therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

Pre-retirement mortality assumptions were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows: 1) males: 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, with generational projection using scale MP-2019 and 2) females: 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows: 1) males: 97% of the rates for all ages, with generational projection using scale MP-2019 and 2) females: 105% of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

The actuarial assumptions used in the December 31, 2022, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared at least every five years and asset/liability studies performed every three to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation, and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

**BACA COUNTY SCHOOL DISTRICT RE-4**  
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**NOTE 7: Defined Benefit Pension Plan (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30 Year Expected Geometric Real Rate of Return</u>
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives	6.00%	4.70%
Total	<u>100.00%</u>	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected nominal rate of return assumption of 7.25%.

*Discount Rate* - The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate applied to the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in Senate Bill (SB) 18-200, required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan participants were used to reduce the estimated amount of total service costs for future plan members.
- District contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200, required adjustments resulting from the 2018 and 2020 AAP assessments. District contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated District contributions reflect reductions for the funding of the annual increase reserve and retiree health care benefits. For future plan members, District contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the state, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million, commencing July 1, 2018, that is proportioned between the PERA Division Trust Funds, including SDTF, based upon the covered payroll. The annual direct distribution ceases when all PERA Division Trust Funds are fully funded.

**BACA COUNTY SCHOOL DISTRICT RE-4**  
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**NOTE 7: Defined Benefit Pension Plan (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

- District contributions and the amount of total service costs for future plan participants were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The annual increase reserve balance was excluded from the initial fund net position, as, per statute, annual increase reserve amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. Annual increase reserve transfers to the fiduciary net position and the subsequent annual increase reserve benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- Beginning with the December 31, 2023, measurement date and thereafter, the fiduciary net position as of the current measurement date is used as a starting point for the GASB 67 projection test.

Based on the above assumptions and methods, the SDTF’s fiduciary net position was projected to be available to make all projected future benefit payments of current participants. Therefore, the long-term expected rate of return of 7.25% on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

*Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate* - The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as the District’s proportionate share of the net pension liability if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, as follows:

	1% Decrease <u>(6.25%)</u>	Current Discount Rate (7.25%)	1% Increase <u>(8.25%)</u>
Proportionate share of the net pension liability	<u>\$ 7,996,427</u>	<u>\$ 5,980,129</u>	<u>\$ 4,298,780</u>

*Pension Plan Fiduciary Net Position* - Detailed information about the SDTF’s fiduciary net position is available in PERA’s separately issued annual comprehensive financial report, which may be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

**BACA COUNTY SCHOOL DISTRICT RE-4**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 8: Postemployment Healthcare Benefits**

**General Information**

*Plan Description* - All employees of the District are eligible to receive postemployment benefits other than pensions (OPEB) through the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the Public Employees' Retirement Association of Colorado (PERA). Title 24, Article 51, Part 12 of the Colorado Revised Statutes (CRS), as amended, and sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including administration of the premium subsidies. CRS provisions may be amended by the Colorado General Assembly. PERA issues a publicly available financial report, that includes information on the HCTF, which may be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Benefits Provided* - The HCTF provides a healthcare premium subsidy to eligible participating benefit recipients and retirees who choose to enroll in one of the PERA health care plans. However, the subsidy is not available if only enrolled in the dental and/or vision plan(s). Eligibility to enroll is voluntary and includes benefit recipients, their eligible dependents, and surviving spouses, among others. Eligible benefit recipients may enroll in the HCTF upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period. The health care premium subsidy is based on the benefit structure under which the member retires and the member's years of service credit.

CRS § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contributions account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

*PERA Benefit Structure* - The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare, and \$115 per month for benefit recipients who are over 65 years of age or who are under 65 years of age and entitled to Medicare. The maximum subsidy is based on 20 or more years of service. The subsidy is reduced by 5% for each year of service less than 20 years. The benefit recipient pays the remaining portion of the premium not covered by the subsidy.

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, CRS § 24-51-12-6(4) provides an additional subsidy. According to the State statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF on behalf of recipients not covered by Medicare Part A.

*Contributions* - As established by Title 24, Article 51, Section 208(1)(f) of the CRS, as amended, 1.02% of the District's contributions to the School Division Trust Fund (SDTF) (Note 7) are apportioned to the HCTF. No employee contributions are required. These contribution requirements are established and may be amended by the State Legislature. The District's apportionment to the HCTF for the year ended June 30, 2024, was \$12,958, equal to the required amount.

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**NOTE 8: Postemployment Healthcare Benefits (Continued)**

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

At June 30, 2024, the District reported a net OPEB liability of \$144,396, representing its proportionate share of the net OPEB liability of the HCTF. The net OPEB liability was measured at December 31, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2023.

The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year ended December 31, 2023, relative to the contributions of all participating employers.

At December 31, 2023, the District's proportion was 0.0202312993%, which was a decrease of 0.0009740825 from its proportion measured at December 31, 2022.

For the year ended June 30, 2024, the District recognized OPEB expense of (\$4,186). At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 29,597
Changes of assumptions and other inputs	1,698	15,310
Net difference between projected and actual earnings on plan investments	4,466	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	5,262	15,320
Contributions subsequent to the measurement date	12,958	-
Total	\$ 24,384	\$ 60,227

District contributions subsequent to the measurement date of \$12,958 will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>Year Ended June 30,</u>			
2025		\$	(19,933)
2026			(11,957)
2027			(3,926)
2028			(8,255)
2029			(3,525)
2030			(1,205)
Total		\$	(48,801)

**BACA COUNTY SCHOOL DISTRICT RE-4**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 8: Postemployment Healthcare Benefits (Continued)**

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

*Actuarial Assumptions* - The actuarial valuation as of December 31, 2022, determined the total OPEB liability using the following actuarial cost method, actuarial assumptions, and other inputs, applied to all periods included in the measurement.

Actuarial Cost Method	Entry Age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.40% - 11.00%
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Heath care cost trend rates:	
Service-based premium subsidy	0.0%
PERACare Medicare plans	
7% in 2023, gradually decreasing to 4.5% in 2033	
Medicare Part A premiums:	
3.5% in 2023, gradually increasing to 4.5% in 2035	

The total OPEB liability for the HCTF, as of the December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, allowable under CRS § 24-51-313, of Tri-County Health Department (Tri-County Health), effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the fiduciary net position as of the December 31, 2022, measurement date.

Annually, the per capita health care costs are developed by plan option. At December 31, 2023, the plan options include 2022 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies to all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

Age-Related Morbidity Assumptions		
Participant Age	Annual Increase (Male)	Annual Increase (Female)
65-68	2.2%	2.3%
69	2.8%	2.2%
70	2.7%	1.6%
71	3.1%	0.5%
72	2.3%	0.7%
73	1.2%	0.8%
74	0.9%	1.5%
75-85	0.9%	1.3%
86 and Older	0.0%	0.0%

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**NOTE 8: Postemployment Healthcare Benefits (Continued)**

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A in the December 31, 2023, valuation, the following monthly costs/premium are assumed for 2023 for the PERA Benefit Structure:

Sample Age	MAPD PPO #1 with Medicare		MAPD PPO #2 with Medicare		MAPD HMO (Kaiser) with Medicare	
	Part A for Retiree / Spouse		Part A for Retiree / Spouse		Part A for Retiree / Spouse	
	Male	Female	Male	Female	Male	Female
65	\$ 1,692	\$ 1,406	\$ 579	\$ 481	\$ 1,913	\$ 1,589
70	\$ 1,901	\$ 1,573	\$ 650	\$ 538	\$ 2,149	\$ 1,778
75	\$ 2,100	\$ 1,653	\$ 718	\$ 566	\$ 2,374	\$ 1,869

  

Sample Age	MAPD PPO #1 without Medicare		MAPD PPO #2 without Medicare		MAPD HMO (Kaiser) without Medicare	
	Part A for Retiree / Spouse		Part A for Retiree / Spouse		Part A for Retiree / Spouse	
	Male	Female	Male	Female	Male	Female
65	\$ 6,469	\$ 5,373	\$ 4,198	\$ 3,487	\$ 6,719	\$ 5,581
70	\$ 7,266	\$ 6,011	\$ 4,715	\$ 3,900	\$ 7,546	\$ 6,243
75	\$ 8,026	\$ 6,319	\$ 5,208	\$ 4,101	\$ 8,336	\$ 6,563

The 2022 Medicare Part A premium is \$506 per month. All costs are subject to the health care cost trend rates.

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium free Medicare Part A.

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2022, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The PERA benefit structure health care cost trend rates used to measure the total OPEB liability are summarized in the table below:

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**NOTE 8: Postemployment Healthcare Benefits (Continued)**

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

Measurement Year	PERACare Medicare Plans	Medicare Part A Premiums
2023	7.00%	3.50%
2024	6.75%	3.50%
2025	6.50%	3.75%
2026	6.25%	3.75%
2027	6.00%	4.00%
2028	5.75%	4.00%
2029	5.50%	4.00%
2030	5.25%	4.25%
2031	5.00%	4.25%
2032	4.75%	4.25%
2033	4.50%	4.25%
2034	4.50%	4.25%
2035+	4.50%	4.50%

Mortality assumptions used in the December 31, 2022, valuation for the determination of the total pension liability, reflect generational mortality and were applied, as applicable, in the determination of the total OPEB liability for the HCTF, but developed using a headcount-weighted basis. SDTF participates in the HCTF (Note 7).

The pre-retirement mortality assumptions for the SDTF were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019. Post-retirement non-disabled mortality assumptions for the SDTF were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows: 1) males: 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, with generational projection using scale MP-2019 and 2) females: 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows: 1) males: 97% of the rates for all ages, with generational projection using scale MP-2019 and 2) females: 105% of the rates for all ages, with generational projection using scale MP-2019. Disabled mortality assumptions for SDTF members were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

The health care costs assumptions were updated and used in the roll-forward calculation for the HCTF. Per capita health care costs as of the December 31, 2022, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the costs for the 2023 plan year. The morbidity rates used to estimate individual retiree and spouse costs by age and gender were updated effective for the December 31, 2022, actuarial valuation. The revised morbidity rate factors are based on a review of historical claims experience by age, gender, and status from actuary's claims data warehouse. The healthcare cost trend rates applicable to health care premiums were revised to reflect the then-current expectation of future increases in those premiums.

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**NOTE 8: Postemployment Healthcare Benefits (Continued)**

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

Actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed and updated annually by PERA’s actuary.

The actuarial assumptions used in the December 31, 2022, valuations were based on the results of the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies performed at least every five years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board’s November 15, 2019, meeting, to be effective January 1, 2020.

As of the most recent reaffirmation of the long-term rate of return, the target asset allocation, and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30 Year Expected Geometric Real Rate of Return</u>
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives	6.00%	4.70%
Total	<u>100.00%</u>	

Note: In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected nominal rate of return assumption of 7.25%.

*Discount rate* - The discount rate used to measure the total OPEB liability was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions. In addition, the following methods and assumptions were used in the projection of cash flows:

**BACA COUNTY SCHOOL DISTRICT RE-4**  
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**NOTE 8: Postemployment Healthcare Benefits (Continued)**

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2023, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- Beginning with the December 31, 2023, measurement date and thereafter, the fiduciary net position as of the current measurement date is used as a starting point for the GASB 74 projection test.
- As of December 31, 2023, measurement date, the fiduciary net position and related disclosure components for the HCTF reflect payments related to disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. As of December 31, 2023, PERA recognized two additions for accounting and financial reporting purposes: a \$24 million payment received on December 4, 2023, and a \$2 million receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were \$1.033 million and \$24.967 million, respectively.

Based on the above assumptions and methods, the HCTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

*Sensitivity of the District's proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates.* The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

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**NOTE 8: Postemployment Healthcare Benefits (Continued)**

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

	<u>1% Decrease in Trend Rates</u>	<u>Current Trend Rates (7.25%)</u>	<u>1% Increase in Trend Rates</u>
Initial PERACare Medicare trend rate	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	<u>\$ 140,252</u>	<u>\$ 144,396</u>	<u>\$ 148,904</u>

*Sensitivity of the District's proportionate share of the net OPEB liability to changes in the discount rate.* The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

	<u>1% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
Proportionate share of the net OPEB liability	<u>\$ 170,550</u>	<u>\$ 144,396</u>	<u>\$ 122,021</u>

*OPEB Plan Fiduciary Net Position* - Detailed information about the HCTF's fiduciary net position is available in PERA's separately issued annual comprehensive financial report, which may be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

**NOTE 9: Commitments and Contingencies**

**Claims and Judgments**

The District participates in a number of federal, state, and local programs that are fully or partially funded by grants received from other governmental entities. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. At June 30, 2024, significant amounts of grant expenditures have not been audited but management believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the District.

**Tabor Amendment**

In November 1992, Colorado voters passed Article X, Section 20 (the Amendment) to the State Constitution which limits state and local government taxing powers and imposes spending limits. The District is subject to the Amendment. In November 1996, the voters approved a ballot measure authorizing the District to collect, retain, and expend all revenues from any source provided that no property tax mill levy increased or any new tax imposed without the consent of the voters.

**BACA COUNTY SCHOOL DISTRICT RE-4**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2024

**NOTE 9: Commitments and Contingencies (Continued)**

**Tabor Amendment (Continued)**

The Amendment requires the District to establish a reserve for emergencies, representing 3% of qualifying expenditures. At June 30, 2024, the District's emergency reserve was reported as restricted fund balance in the General Fund, in the amount of \$468,000.

**Litigation**

The District from time to time is involved in various legal matters. In the opinion of the District's counsel, there are no pending legal issues that would have a material adverse effect on the financial condition of the District.

**NOTE 10: Jointly Governed Organization**

The District, in conjunction with other surrounding districts, participates in the Southeastern Board of Cooperative Educational Services (BOCES). The BOCES is an organization that provides member districts educational services at a shared lower cost per district. The BOCES board is comprised of one member from each participating district. During the year ended June 30, 2024, the District contributed \$47,740 to the BOCES. Separate financial statements for the BOCES are available at <https://www.seboces.org/>.

**REQUIRED SUPPLEMENTARY INFORMATION**

**BACA COUNTY SCHOOL DISTRICT RE-4**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
Year Ended June 30, 2024

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
<b>REVENUES</b>			
Local Sources	\$ 1,201,477	\$ 1,315,326	\$ 113,849
County Sources	-	35	35
State Grants	3,181,131	3,299,880	118,749
Federal Grants	<u>1,263,202</u>	<u>236,664</u>	<u>(1,026,538)</u>
<b>TOTAL REVENUES</b>	<u>5,645,810</u>	<u>4,851,905</u>	<u>(793,905)</u>
<b>EXPENDITURES</b>			
<b>Current</b>			
Instruction	<u>2,368,400</u>	<u>2,685,792</u>	<u>(317,392)</u>
Supporting Services			
Students	137,626	120,110	17,516
Instructional Staff	84,578	85,236	(658)
General Administration	283,513	301,478	(17,965)
School Administration	300,698	244,273	56,425
Business Services	111,417	129,651	(18,234)
Operations and Maintenance	598,645	674,739	(76,094)
Student Transportation	214,345	216,133	(1,788)
Central Support	<u>424,301</u>	<u>37,592</u>	<u>386,709</u>
Total Supporting Services	<u>2,155,123</u>	<u>1,809,212</u>	<u>345,911</u>
<b>TOTAL EXPENDITURES</b>	<u>4,523,523</u>	<u>4,495,004</u>	<u>28,519</u>
<b>EXCESS OF REVENUES OVER     (UNDER) EXPENDITURES</b>	<u>1,122,287</u>	<u>356,901</u>	<u>(765,386)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Insurance Proceeds	5,000	-	(5,000)
Proceeds from Sale of Capital Assets	-	9,220	9,220
Transfers In	-	-	-
Transfers Out	<u>(25,000)</u>	<u>-</u>	<u>25,000</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(20,000)</u>	<u>9,220</u>	<u>29,220</u>
<b>CHANGE IN FUND BALANCE</b>	1,102,287	366,121	(736,166)
FUND BALANCE, Beginning	<u>3,127,435</u>	<u>4,181,477</u>	<u>1,054,042</u>
FUND BALANCE, Ending	<u>\$ 4,229,722</u>	<u>\$ 4,547,598</u>	<u>\$ 317,876</u>

**BACA COUNTY SCHOOL DISTRICT RE-4**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND CONTRIBUTIONS**  
**PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO HEALTH CARE TRUST FUND**  
June 30, 2024

<b>MEASUREMENT YEAR</b>	<u>12/31/23</u>	<u>12/31/22</u>	<u>12/31/21</u>	<u>12/31/20</u>
<b>PROPORTIONATE SHARE OF THE NET PENSION LIABILITY</b>				
District's Proportion of the Net Pension Liability	0.0338177125%	0.0279006508%	0.0329495892%	0.0358897554%
District's Proportionate Share of the Net Pension Liability	\$ 5,980,129	\$ 3,834,464	\$ 5,425,807	\$ 4,962,621
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>131,126</u>	<u>439,572</u>	<u>-</u>	<u>629,444</u>
Total Proportionate Share of the Net Pension Liability	<u>\$ 6,111,255</u>	<u>\$ 4,274,036</u>	<u>\$ 5,425,807</u>	<u>\$ 5,592,065</u>
District's Covered Payroll	\$ 2,235,655	\$ 2,089,976	\$ 2,019,068	\$ 1,964,338
District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	267.49%	183.47%	268.73%	252.64%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	64.74%	74.86%	66.99%	64.52%
<b>FISCAL YEAR</b>	<u>6/30/24</u>	<u>6/30/23</u>	<u>6/30/22</u>	<u>06/30/21</u>
<b>DISTRICT CONTRIBUTIONS</b>				
Statutorily Required Contribution	\$ 461,257	\$ 443,428	\$ 415,487	\$ 401,391
Contributions in Relation to the Statutorily Required Contribution	<u>(461,257)</u>	<u>(443,428)</u>	<u>(415,487)</u>	<u>(401,391)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 2,263,285	\$ 2,175,798	\$ 2,089,976	\$ 2,019,068
Contributions as a Percentage of Covered Payroll	20.38%	20.38%	19.88%	19.88%

<u>12/31/19</u>	<u>12/31/18</u>	<u>12/31/17</u>	<u>12/31/16</u>	<u>12/31/15</u>	<u>12/31/14</u>
0.0332174906%	0.0332073374%	0.0371705747%	0.0375059549%	0.0379982055%	0.0405210700%
\$ 5,880,041	\$ 12,019,643	\$ 11,166,973	\$ 5,811,557	\$ 5,491,966	\$ 4,978,810
<u>804,014</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 6,684,055</u>	<u>\$ 12,019,643</u>	<u>\$ 11,166,973</u>	<u>\$ 5,811,557</u>	<u>\$ 5,491,966</u>	<u>\$ 4,978,810</u>
\$ 1,914,588	\$ 1,747,330	\$ 1,696,245	\$ 1,653,329	\$ 1,669,754	\$ 1,656,317
307.12%	687.89%	658.33%	351.51%	328.91%	300.60%
57.01%	43.96%	43.13%	59.16%	62.80%	64.06%
<u>06/30/20</u>	<u>06/30/19</u>	<u>06/30/18</u>	<u>06/30/17</u>	<u>06/30/16</u>	<u>06/30/15</u>
\$ 380,689	\$ 366,261	\$ 329,940	\$ 311,778	\$ 293,216	\$ 281,895
<u>(380,689)</u>	<u>(366,261)</u>	<u>(329,940)</u>	<u>(311,778)</u>	<u>(293,216)</u>	<u>(281,895)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,964,388	\$ 1,914,588	\$ 1,747,330	\$ 1,696,245	\$ 1,653,329	\$ 1,669,754
19.38%	19.13%	18.88%	18.38%	17.73%	16.88%

**BACA COUNTY SCHOOL DISTRICT RE-4**

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY AND CONTRIBUTIONS  
PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO SCHOOL DIVISION TRUST FUND

June 30, 2024

<b>MEASUREMENT YEAR</b>	<u>12/31/23</u>	<u>12/31/22</u>	<u>12/31/21</u>
<b>PROPORTIONATE SHARE OF THE NET OPEB LIABILITY</b>			
District's Proportion of the Net OPEB Liability	0.0202312993%	0.0212053818%	0.0215135726%
District's Proportionate Share of the Net OPEB Liability	\$ 144,396	\$ 185,513	\$ 197,123
District's Covered Payroll	\$ 2,235,655	\$ 2,089,976	\$ 2,019,068
District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	6.46%	8.88%	9.76%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.16%	39.40%	32.78%
<b>FISCAL YEAR</b>			
<b>DISTRICT CONTRIBUTIONS</b>			
Statutorily Required Contributions	\$ 23,086	\$ 22,193	\$ 21,318
Contributions in Relation to the Statutorily Required Contribution	<u>(23,086)</u>	<u>(22,193)</u>	<u>(21,318)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 2,263,285	\$ 2,175,798	\$ 2,089,976
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%

This schedule is presented to show information for 10 years.  
Information will be presented for the years it is available.

<u>12/31/20</u>	<u>12/31/19</u>	<u>12/31/18</u>	<u>12/31/17</u>
0.0207449002%	0.0217093020%	0.0215849576%	0.0211201623%
\$ 244,012	\$ 293,672	\$ 274,478	\$ 276,406
\$ 1,964,338	\$ 1,914,588	\$ 1,747,330	\$ 1,696,245
12.42%	15.34%	15.71%	16.30%
24.49%	17.03%	17.53%	16.71%
<u>6/30/21</u>	<u>6/30/20</u>	<u>6/30/19</u>	<u>6/30/18</u>
\$ 20,595	\$ 20,036	\$ 19,528	\$ 17,823
<u>(20,595)</u>	<u>(20,036)</u>	<u>(19,528)</u>	<u>(17,823)</u>
\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
\$ 2,019,068	\$ 1,964,388	\$ 1,914,588	\$ 1,747,330
1.02%	1.02%	1.02%	1.02%

**BACA COUNTY SCHOOL DISTRICT RE-4**  
NOTES TO THE REQUIREMENT SUPPLEMENTARY INFORMATION  
June 30, 2024

**NOTE 1: Stewardship, Compliance, and Accountability**

**Budgetary Information**

Budgets are adopted for all funds on a basis consistent with generally accepted accounting principles. The District adheres to the following procedures to establish the budgetary information reflected in the financial statements.

- Management submits to the Board of Education a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted by the School Board of Education to obtain taxpayer comments.
- Prior to June 30, the budget is adopted by formal resolution.
- Expenditures may not legally exceed appropriations at the fund level. Authorization to transfer budget amounts between programs and/or departments within any fund and the reallocation of budget line items within any program and/or department rests with the Superintendent. Revisions that alter the total expenditures of any fund must be approved by the Board of Education.
- All budget appropriations lapse at fiscal year-end.

**Budget Compliance**

At June 30, 2024, the District's Food Service and Student Activity Fund actual expenditures exceeded budgeted appropriations by \$102,923 and \$9,282, respectively. In addition, the District's Building Fund expenditures exceeded the available resources by \$9,116. These may be violation of state statutes.

**NOTE 2: Significant Changes in Plan Provisions Affecting Trends in Actuarial Information**

*STDF Plan* - Senate Bill (SB) 23-056, enacted and effective June 2, 2023, intended to recompense PERA for the remaining portion of the \$225 million direct distribution originally scheduled for receipt July 1, 2020, suspended due to the enactment of House Bill (HB) 20-1379, but not fully repaid through the provisions within HB 22-1029. Pursuant to SB 23-056, the State Treasurer issued a warrant consisting of the balance of the PERA Payment Cash Fund, created in §24-51-416, plus \$10 million from the General Fund, totaling \$14.561 million.

As of the December 31, 2023, measurement date, the total pension liability (TPL) recognizes the change in the default method applied for granting service accruals for certain members, from a "12-pay" method to a "non-12-pay" method. The default service accrual method for positions with an employment pattern of at least eight months but fewer than 12 months (including but not limited to positions in the School and DPS Divisions) receive a higher ratio of service credit for each month worked, up to a maximum of 12 months of service credit per year.

*HCTF Plan* - As of the December 31, 2023, measurement date, the fiduciary net position (FNP) and related disclosure components for the Health Care Trust Fund (HCTF) reflect payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24 million payment received on December 4, 2023, and a \$2 million receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were \$1.033 million and \$24.967 million, respectively.

**NOTE 3: Changes in Assumptions and Other Inputs**

No changes made to the actuarial methods or assumptions.

**COMBINING AND INDIVIDUAL FUND STATEMENTS AND  
BUDGETARY COMPARISON SCHEDULES**

**BACA COUNTY SCHOOL DISTRICT RE-4**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
June 30, 2024

	FOOD SERVICE	STUDENT ACTIVITY	CAPITAL PROJECTS	TOTAL
<b>ASSETS</b>				
Cash and Investments	\$ 89,917	\$ 57,918	\$ 135,478	\$ 283,313
Accounts Receivable	3,462	-	-	3,462
Grants Receivable	23,415	-	139,779	163,194
Inventory	8,484	-	-	8,484
<b>TOTAL ASSETS</b>	<b>\$ 125,278</b>	<b>\$ 57,918</b>	<b>\$ 275,257</b>	<b>\$ 458,453</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ 49,285	\$ 49,285
Retainage Payable			38,274	38,274
Accrued Salaries and Benefits	25,887	-	-	25,887
Unearned Revenues	243	-	-	243
<b>TOTAL LIABILITIES</b>	<b>26,130</b>	<b>-</b>	<b>87,559</b>	<b>113,689</b>
<b>FUND BALANCES</b>				
Nonspendable Inventories	8,484	-	-	8,484
Restricted for Food Service	90,664	-	-	90,664
Assigned to:				
Capital Projects	-	-	187,698	187,698
Student Activities	-	57,918	-	57,918
<b>TOTAL FUND BALANCES</b>	<b>99,148</b>	<b>57,918</b>	<b>187,698</b>	<b>344,764</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 125,278</b>	<b>\$ 57,918</b>	<b>\$ 275,257</b>	<b>\$ 458,453</b>

**BACA COUNTY SCHOOL DISTRICT RE-4**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
Year Ended June 30, 2024

	<u>FOOD SERVICE</u>	<u>STUDENT ACTIVITY</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL</u>
<b>REVENUES</b>				
Local Sources	\$ 6,388	\$ 142,373	\$ 3,305	\$ 152,066
State Sources	50,251	-	-	50,251
Federal Sources	180,534	-	664,244	844,778
<b>TOTAL REVENUES</b>	<u>237,173</u>	<u>142,373</u>	<u>667,549</u>	<u>1,047,095</u>
<b>EXPENDITURES</b>				
Current				
Supporting Services	-	159,282	-	159,282
Food Services	288,075	-	-	288,075
Capital Outlay	13,979	-	718,377	732,356
<b>TOTAL EXPENDITURES</b>	<u>302,054</u>	<u>159,282</u>	<u>718,377</u>	<u>1,179,713</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(64,881)	(16,909)	(50,828)	(132,618)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	-	-	-	-
<b>CHANGE IN FUND BALANCES</b>	(64,881)	(16,909)	(50,828)	(132,618)
FUND BALANCES, Beginning	<u>164,029</u>	<u>74,827</u>	<u>238,526</u>	<u>477,382</u>
FUND BALANCES, Ending	<u>\$ 99,148</u>	<u>\$ 57,918</u>	<u>\$ 187,698</u>	<u>\$ 344,764</u>

**BACA COUNTY SCHOOL DISTRICT RE-4**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOOD SERVICE FUND**  
Year Ended June 30, 2024

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
<b>REVENUES</b>			
Local Sources			
Fees	\$ 47,600	\$ 5,697	\$ (41,903)
Miscellaneous	-	691	691
State Grants	375	50,251	49,876
Federal Grants	103,125	180,534	77,409
	<u>151,100</u>	<u>237,173</u>	<u>86,073</u>
<b>EXPENDITURES</b>			
Current			
Salaries	80,279	92,696	(12,417)
Benefits	26,102	27,644	(1,542)
Purchased Services	1,700	4,815	(3,115)
Supplies and Materials	90,050	139,461	(49,411)
Other	-	23,459	(23,459)
Capital Outlay	1,000	13,979	(12,979)
	<u>199,131</u>	<u>302,054</u>	<u>(102,923)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(48,031)</u>	<u>(64,881)</u>	<u>(16,850)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	25,000	-	(25,000)
Transfers Out	-	-	-
	<u>25,000</u>	<u>-</u>	<u>(25,000)</u>
CHANGE IN FUND BALANCE	(23,031)	(64,881)	(16,850)
FUND BALANCE, Beginning	<u>150,000</u>	<u>164,029</u>	<u>14,029</u>
FUND BALANCE, Ending	<u><u>\$ 126,969</u></u>	<u><u>\$ 99,148</u></u>	<u><u>\$ (27,821)</u></u>

**BACA COUNTY SCHOOL DISTRICT RE-4**  
**BUDGETARY COMPARISON SCHEDULE**  
**STUDENT ACTIVITY FUND**  
Year Ended June 30, 2024

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
REVENUES			
Local Sources			
Student Activity Fees	\$ <u>150,000</u>	\$ <u>142,373</u>	\$ <u>(7,627)</u>
EXPENDITURES			
Current			
Supporting Services	<u>150,000</u>	<u>159,282</u>	<u>(9,282)</u>
CHANGE IN FUND BALANCE	-	(16,909)	(16,909)
FUND BALANCE, Beginning	<u>110,000</u>	<u>74,827</u>	<u>(35,173)</u>
FUND BALANCE, Ending	<u>\$ 110,000</u>	<u>\$ 57,918</u>	<u>\$ (52,082)</u>

**BACA COUNTY SCHOOL DISTRICT RE-4**  
**BUDGETARY COMPARISON SCHEDULE**  
**DEBT SERVICE FUND**  
Year Ended June 30, 2024

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
REVENUES			
Local Sources			
Property Taxes	\$ 470,000	\$ 380,975	\$ (89,025)
Investment Income	<u>30,000</u>	<u>15,687</u>	<u>(14,313)</u>
 TOTAL REVENUES	 <u>500,000</u>	 <u>396,662</u>	 <u>(103,338)</u>
 EXPENDITURES			
Debt Service			
Principal	249,226	249,226	-
Interest	129,435	126,505	2,930
Fees and Charges	<u>1,000</u>	<u>-</u>	<u>1,000</u>
 TOTAL EXPENDITURES	 <u>379,661</u>	 <u>375,731</u>	 <u>3,930</u>
 CHANGE IN FUND BALANCE	 120,339	 20,931	 (99,408)
 FUND BALANCE, Beginning	 <u>250,000</u>	 <u>436,793</u>	 <u>186,793</u>
 FUND BALANCE, Ending	 <u>\$ 370,339</u>	 <u>\$ 457,724</u>	 <u>\$ 87,385</u>

**BACA COUNTY SCHOOL DISTRICT RE-4**  
**BUDGETARY COMPARISON SCHEDULE**  
**CAPITAL PROJECTS FUND**  
Year Ended June 30, 2024

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
REVENUES			
Local Sources	\$ 1,100	\$ 3,305	\$ 2,205
State Grants	2,580,260	-	(2,580,260)
Federal Grants	<u>463,860</u>	<u>664,244</u>	<u>200,384</u>
 TOTAL REVENUES	 3,045,220	 667,549	 (2,377,671)
 TOTAL REVENUES	 <u>3,045,220</u>	 <u>667,549</u>	 <u>(2,377,671)</u>
 EXPENDITURES			
Capital Outlay	<u>3,045,220</u>	<u>718,377</u>	<u>2,326,843</u>
 CHANGE IN FUND BALANCE	 -	 (50,828)	 (50,828)
 FUND BALANCE, Beginning	 <u>248,514</u>	 <u>238,526</u>	 <u>(9,988)</u>
 FUND BALANCE, Ending	 <u>\$ 248,514</u>	 <u>\$ 187,698</u>	 <u>\$ (60,816)</u>

**BACA COUNTY SCHOOL DISTRICT RE-4**  
**BUDGETARY COMPARISON SCHEDULE**  
**BUILDING FUND**  
Year Ended June 30, 2024

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
REVENUES			
Local Sources	\$ 250,000	\$ -	\$ (250,000)
State Grants	<u>24,127,960</u>	<u>10,728,414</u>	<u>(13,399,546)</u>
 TOTAL REVENUES	 <u>24,377,960</u>	 <u>10,728,414</u>	 <u>(13,649,546)</u>
 EXPENDITURES			
Capital Outlay	<u>22,678,683</u>	<u>12,606,652</u>	<u>10,072,031</u>
 CHANGE IN FUND BALANCE	 1,699,277	 (1,878,238)	 (23,721,577)
FUND BALANCE, Beginning	<u>17,250,000</u>	<u>1,869,122</u>	<u>(15,380,878)</u>
FUND BALANCE, Ending	<u>\$ 18,949,277</u>	<u>\$ (9,116)</u>	<u>\$ (18,958,393)</u>

## **COMPLIANCE SECTION**

# **SINGLE AUDIT**

**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Education  
Baca County School District RE-4  
Springfield, Colorado

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Baca County School District RE-4 (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the basic financial statements of the District and have issued our report thereon dated February 28, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District’s internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, report on, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District’s financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2024-001 that we consider to be a material weaknesses.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**District's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs identified as 2024-001. the District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

*DMC Auditing and Consulting, LLC*

March 7, 2025  
Baily, Colorado

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH  
MAJOR FEDERAL PROGRAM, INTERNAL CONTROL OVER COMPLIANCE,  
AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
REQUIRED BY THE UNIFORM GUIDANCE**

Board of Education  
Baca County School District RE-4  
Springfield, Colorado

**Report on Compliance for Each Major Federal Program**

**Opinion on Each Major Federal Program**

We have audited Baca County School District RE-4’s (the District) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the District’s major federal programs for the year ended June 30, 2024. the District’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

**Basis for Opinion on Each Major Federal Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District’s compliance with the compliance requirements referred to above.

**Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District’s federal programs.

### **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and to express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2024-002. Our opinion on each major federal program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-002 to be a material weakness.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on District's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

#### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the basic financial statements of the District. We issued our report thereon dated February 28, 2025, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*DMC Auditing and Consulting, LLC*

March 7, 2025  
Baily, Colorado

**BACA COUNTY SCHOOL DISTRICT RE-4**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
Year Ended June 30, 2024

**SECTION I: SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP): Unmodified

Internal control over financial reporting:

- Material weaknesses identified?  Yes  No
- Significant deficiencies identified?  Yes  None Reported

Noncompliance material to the financial statements noted?

- Yes  No

**Federal Awards**

Internal control over major federal programs:

- Material weaknesses identified?  Yes  No
- Significant deficiencies identified?  Yes  None Reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

- Yes  No

Identification of major federal programs:

**Federal Assistance**

**Listing Number**

84.425C, 84.425U

**Name of Federal Cluster/Program**

Education Stabilization Fund (ESSER)

Dollar threshold used to distinguish Between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee?

- Yes  No

**BACA COUNTY SCHOOL DISTRICT RE-4**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
Year Ended June 30, 2024

**SECTION II: FINANCIAL STATEMENT FINDINGS**

**2024-001: Material Audit Adjusting Journal Entries in the Financial Statements**

**Criteria:** AU-C Section 265, A.11 in part states that indicators of material weaknesses in internal control include an identification by the auditor of a material misstatement of the financial statements under audit in circumstances that indicate that the misstatement would not have been detected and corrected by the entity's internal control.

**Condition:** We have identified multiple material errors in the financial statements for the fiscal year ended June 30, 2024, related to various year-end adjustments to cash and investments, grants, and property taxes.

**Cause:** The internal controls related to year-end adjustments, including property tax accruals and grant accruals and reclassifications were not properly implemented. The District should reconcile and record the grant accruals and record the year-end journal entries related property tax accruals prior to the start of the audit in order to avoid having material misstatements.

**Effect:** The District's financial statements were misstated and had material audit adjustments.

**Repeat Finding:** No.

**Recommendation:** We recommend that the District perform a secondary review of the bank reconciliations and bank statements to identify errors and establish additional internal controls over the bank reconciliations. In addition, we recommend that the District annually perform the property tax accrual calculation, monthly reconcile state and federal grants, and make adjustments prior to the beginning of the annual audit.

**Corrective Action Plan:** Reported on page 54.

**BACA COUNTY SCHOOL DISTRICT RE-4**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
Year Ended June 30, 2024

**SECTION III: FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

**2024-002: Material Weakness in Internal Controls**

**Federal Assistance Listing Number:** 84.425D, 84.425U

**Federal Award Year:** 2023

**Program Title:** Education Stabilization Fund (ESSER)

**Name of Federal Agency:** U.S. Department of Education

**Name of Pass-Through Entity:** Colorado Department of Education / Colorado Governor's Office

**COVID-19 Program:** Yes

**Criteria:** 2 CFR 200 §200.303 Internal Controls requires that the grant recipient must establish, document, and maintain effective internal control over the Federal award that provides reasonable assurance that the recipient is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These controls should align with the guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control-Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

**Condition:** Based on our walkthrough of internal controls, we have identified that the bank reconciliations are not performed timely and had several material errors. In addition, the District had a lack of segregation of duties related to bank account management and lacked proper internal controls over payroll registers prior to processing. A District employee (business manager) that was responsible for processing payables and payroll for the District was also a signer on District's bank accounts, which creates a lack of segregation of duties.

**Cause:** The District did not have proper internal controls designed over bank accounting management and internal controls over payroll. This finding is primarily related to the fiscal year ended June 30, 2024. The District experienced turnover in the business office with key personnel and may have already implemented additional processes to mitigate the issues in this finding.

**Effect:** The District's lack of segregation of duties related to bank account management could potentially cause significant errors and potential fraud.

**Repeat Finding:** No.

**Recommendation:** We recommend that the District evaluate and segregate duties related to bank account signers for employees at the District. In addition, we recommend that the District remove signing authority from the individuals in charge of managing the District's accounting records. Lastly, we recommend that the District perform a secondary review of each payroll register prior to payroll processing to strengthen the District's internal controls.

**Corrective Action Plan:** Reported on page 55.

# Springfield Public Schools

## DISTRICT RE-4

475 W. 5th Ave, PO Box 68 • Springfield, CO 81073

Shelly Swayne  
Superintendent  
719-523-6654

Ginger Walker  
JH/HS School Principal  
719-523-6522

Jerri-Ann Montoya  
Elementary Principal  
719-523-4391

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### FY24 Audit finding correction action

The District acknowledges the material correction of an error to the District's financial statements. This situation occurred due to novice staff in the business offices and turnover of the staffing. Current management has improved procedures related to the reconciliations of bank statements with certified public accountant services, Abacus LLC managing the details and mentoring staff at Springfield School District. The new business manager will train with Abacus LLC and CDE to improve the processes. We plan to include two reconcilers for bank statements prior to the start of the audit process.

### FY24 Audit finding correction action

The District acknowledges the material correction of an error to the District's financial statements. This situation occurred due to internal controls checks and balances having not been corrected or delegated appropriately. Current management has improved procedures related to these checks and balances by changing the signatures on accounts that exclude staff who write checks. Administrative action occurred at the November board meeting. .  
The process is already complete and working for the internal controls of the district. .

**BACA COUNTY SCHOOL DISTRICT RE-4**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Expenditures
<b>U.S. DEPARTMENT OF EDUCATION</b>			
Passed Through State Department of Education			
Title I	84.010	4010	\$ 116,270
Supporting Effective Instruction	84.367	4367	13,982
Student Support and Academic Enrichment Program	84.424	4424	12,878
Education Stabilization Fund (COVID-19 Education Stabilization Fund)			
American Rescue Plan - Elementary and Secondary School			
Emergency Relief (ARP ESSER)	84.425D	4420	7,950
Passed Through BOCES System			
American Rescue Plan -- Rural Co-Action	84.425U	4414	766,173
Education Stabilization Fund Total			<u>774,123</u>
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>917,253</u>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
Passed Through State Department of Education			
<i>Child Nutrition Cluster</i>			
School Breakfast Program (SBP)	10.553	4553	44,785
National School Lunch Program (NSLP)	10.555	4555	88,518
National School Lunch Program (Supply Chain Assistance (SCA))	10.555	6555	10,967
Summer Food Service Program for Children	10.559	4559	23,415
Passed through State Department of Human Services			
National School Lunch Program (Donated Commodities)	10.555	4555	11,396
<i>Child Nutrition Cluster Subtotal</i>			<u>179,081</u>
Passed Through State Department of Education			
Pandemic EBT Administrative Costs COVID-19	10.649	4649	1,453
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>180,534</u>
<b>U.S. DEPARTMENT OF TREASURY</b>			
Passed Through State Department of Education			
Coronavirus State and Local Fiscal Recovery Funds	21.027	7127	<u>18,032</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 1,115,819</u>

**BACA COUNTY SCHOOL DISTRICT RE-4**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
Year Ended June 30, 2024

**NOTE 1: Basis of Presentation**

The accompanying schedule of expenditures of federal awards is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, using the modified accrual basis of accounting. Therefore, some amounts presented in this schedule may differ from amounts presented in the financial statements. The District does not charge a de minimis indirect cost rate. Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or fund balance, or cash flows of the District.

The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting.

**NOTE 2: Summary of Significant Accounting Policies**

Governmental fund types account for the majority of the District's federal grant activity. Expenditures reported in the schedule of expenditures of federal awards are recognized on a modified basis of accounting. Subrecipient expenditures are recorded on a cash basis. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or limited as to reimbursement. Non-cash expenditures are included in the schedule.

**NOTE 3: Indirect Cost Rate**

The District has not elected to use the 10.5% de minimis cost rate.

**NOTE 4: Subrecipients**

The District did not have any Federal awards passed through to subrecipients.

## **STATE COMPLIANCE**



**Colorado Department of Education**  
**Auditors Integrity Report**  
 District: 0250 - Springfield RE-4  
 Fiscal Year 2023-24  
 Colorado School District/BOCES

**Revenues, Expenditures, & Fund Balance by Fund**

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	+	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	=	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
<b>Governmental</b>						
10 General Fund	4,007,926		4,612,656	4,151,536		4,469,046
18 Risk Mgmt Sub-Fund of General Fund	84,999		34,460	119,459		0
19 Colorado Preschool Program Fund	88,552		195,265	205,265		78,551
<b>Sub-Total</b>	<b>4,181,477</b>		<b>4,842,381</b>	<b>4,476,260</b>		<b>4,547,597</b>
11 Charter School Fund	0		0	0		0
20.26-29 Special Revenue Fund	0		0	0		0
06 Supplemental Cap Const, Tech, Main, Fund	0		0	0		0
07 Total Program Reserve Fund	0		0	0		0
21 Food Service Spec Revenue Fund	164,029		237,174	302,056		99,148
22 Govt Designated-Purpose Grants Fund	0		0	0		0
23 Pupil Activity Special Revenue Fund	74,827		142,373	159,282		57,918
25 Transportation Fund	0		0	0		0
31 Bond Redemption Fund	436,793		396,662	375,731		457,724
39 Certificate of Participation (COP) Debt Service Fund	0		0	0		0
41 Building Fund	1,869,122		10,728,414	12,606,652		-9,116
42 Special Building Fund	0		0	0		0
43 Capital Reserve Capital Projects Fund	238,526		667,550	718,377		187,699
46 Supplemental Cap Const, Tech, Main Fund	0		0	0		0
<b>Totals</b>	<b>6,964,775</b>		<b>17,014,554</b>	<b>18,638,359</b>		<b>5,340,971</b>
<b>Proprietary</b>						
50 Other Enterprise Funds	0		0	0		0
64 (63) Risk-Related Activity Fund	0		0	0		0
60.65-69 Other Internal Service Funds	0		0	0		0
<b>Totals</b>	<b>0</b>		<b>0</b>	<b>0</b>		<b>0</b>
<b>Fiduciary</b>						
70 Other Trust and Agency Funds	0		0	0		0
72 Private Purpose Trust Fund	0		0	0		0
73 Agency Fund	0		0	0		0
74 Pupil Activity Agency Fund	0		0	0		0
79 GASB 34/Permanent Fund	0		0	0		0
85 Foundations	0		0	0		0
<b>Totals</b>	<b>0</b>		<b>0</b>	<b>0</b>		<b>0</b>
<b>FINAL</b>						<b>0</b>